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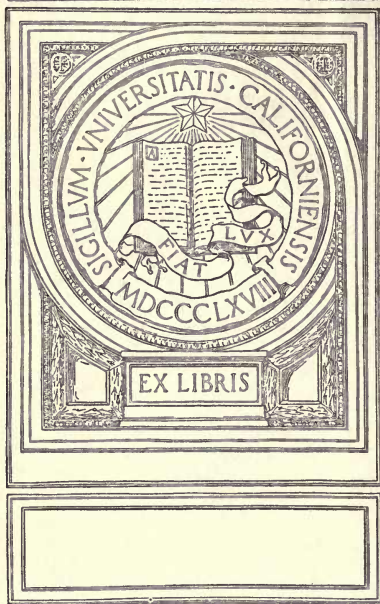
Letter to the Proprietors
of East India Stock.

By
John Fiott

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L E T T E R
TO THE
P R O P R I E T O R S
OF
E A S T I N D I A S T O C K .

By Mr. J. FIOTT,
OF LONDON, MERCHANT.

TO WHICH IS ANNEXED,
COPY OF MR. ALD. LE MESURIER'S PROTEST,
AGAINST
The CONTRACT for SHIPPING,
Entered into by the COURT of DIRECTORS of the EAST INDIA
COMPANY, for the Seasons 1792, 1793.

L O N D O N :
SOLD BY W. RICHARDSON, ROYAL EXCHANGE; J.
DEBRET, PICCADILLY; AND J. JOHNSON AND
MESS. RIVINGTONS, ST. PAUL'S CHURCH-YARD.

L. E. T. E. R.

TO THE

P. R. O. P. R. I. E. T. S.

OF

EAST INDIA STOCK.

By Mr. J. P. I. O. T.

OF LONDON, MERCHANT.

AND PRICE IS ADDED.

COPY OF MR. ALD. LE MURRE'S REPORT.

AGAINST

THE CONTRACT BY SHIPMENT.

Examined by the Court of Directors of the East India

Company, on the 14th of 1800.

L O N D O N :

SOLD BY W. RICHARDSON, NO. 12, IN CHURCH

STREET, BATHURST, AND J. JOHNSON AND

MRS. KINGTON, AT PAUL'S CHURCH-YARD.

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TO THE

PROPRIETORS

OF

EAST INDIA STOCK.

SIRS,

IT was asserted, by some of the Directors, at the General Court held in May last, specially on shipping affairs, that public contract *was the practice of the Court*; and the same assertion was repeated at the ensuing Quarterly Court, in June, although no traces of it are to be found in the printed papers of their proceedings.

As the question of public contract, brought before the General Court in May, had been kept from a Ballot, by similar assertions, and by the manœuvre of an amendment; I pledged myself, in June last, previously to the renewal of that important question, to put such assertions to the proof, by tendering new ships of their own size, built under their own inspection, commanded by their own officers, and in every respect *conformable to all their regulations*; that in case they did not accept of the lowest tender, under such circumstances, they

they might be left without excuse. I fulfilled this pledge in July last, on their advertising for tenders of ships *from any persons, &c.* Mine were at £. 18 per ton to China, when the lowest of other tenders were at £. 20 per ton to China; and many were as high as £. 23 10s. to China, and to other parts in proportion. After a secret conference held by the two chairs with the Old Owners, it was finally agreed, to take the ships of the Old Owners, as follows; the lowest, at £. 19 10s. per ton to China, for large ships; £. 23 per ton to China, for the smaller, and so in proportion for other voyages; while mine, at £. 18 per ton to China, as above mentioned, were rejected.

The protest of one of your worthy Directors, Mr. Alderman Le Mesurier, against such proceedings, is remarkably full and ample upon the subject; and having been called for and read at the last General Court, is now become a public paper; and as such I beg permission to offer it to your consideration.

The printing of it, with a few other papers, respecting the Company's late contract for shipping, was agreed upon at the last General Court. My friends had retired in that confidence, but advantage being taken of their absence, the question was unexpectedly put, when there was a small majority against printing and laying them before you. The purport of the other papers, however, may easily be gathered, from this plain and manly appeal, of one of your Directors, to your understandings.

After this last negotiation, surely no man, who values his character, will again assert that public contract is *adhered*

Answered to. The present state of the question is therefore shortly as follows :

The annual tonnage employed by the company is now upwards of 33,000 tons. The price, in August 1783, when this competition first began, was, for peace freight, £. 33 per ton; but is now reduced to £. 21 5s. per ton, viz.

1783, 33,000 tons at £. 33 per ton,	£. 1,089,000
1792, 33,000 tons at the present average price about £. 21 5s. per ton,	£. 701,250
Saving already effected per ann.	<u>£. 387,750</u>

But as it is notorious, that the whole may be done at £. 18 per ton, which is a fact admitted by several Directors, and scarcely denied by any, it will make a farther saving of, say, on 33,000 tons at £. 3. 5s.

Add saving as above,

Total saving easily effected.

£. 107,250

£. 387,750

£. 495,000

A sum more than equal to the whole of your dividends. Were we to go by the tenders, which pour in upon the Company, we might state the saving immensely more; but the above saving of near half a million per annum, is already in part effected, and the remainder incontrovertibly can be so, whenever the selfish interests of individuals shall give way to the public good, or gentlemen cease to enjoy the privilege of voting respecting their own contracts. What, therefore, the *independent Proprietors* have in view, is not merely to obtain the saving of the additional £. 107,250, but to establish a *principle*, that shall prevent corruption from hereafter regaining its ascendancy, and recovering

recovering these hard-fought acquisitions, when the attention of the Proprietors shall, by degrees, be drawn off to their own more immediate affairs. It is impossible for the ability of any man to suggest a principle more safe, more salutary, more unsuspicious, and which so readily executes itself, as that of *Public Contract*; to which, at a proper time, therefore, I shall again presume to call your attention.

I have the honour to be, with great respect,
Sirs, Your faithful and obedient
Humble servant,

JOHN FIOTT,
Fenchurch-street, Jan. 1, 1793.

P R O T E S T

OF

Mr. ALDERMAN LE MESURIER.

“ LONDON, 22d August, 1792.

“ GENTLEMEN,

“ I beg leave to enter my dissent against the two following Resolutions agreed to by the Court on the 16th instant, viz.

1. “ That this Court do approve the said Report of the Committee of Shipping, respecting the rate of Freight to be given for the Ships to be taken up for the ensuing season.”

2. “ That as the Owners have agreed to a reduction in their Freights, which will be greatly more than adequate to the savings which might arise from accepting the Tenders of two new Ships by John Fiott, Esq. the Committee of Shipping be therefore discharged from the References of Court, respecting those Tenders on the 25th ultimo and 8th instant.

I consider

“ I consider both the resolutions as contrary to every
 “ principle of a Public Contract, contrary to the faith we
 “ ought to hold towards individuals, and in their con-
 “ sequence highly detrimental to the Commerce in
 “ India, and injurious to the true interests of the Com-
 “ pany. I shall endeavour to state my reasons in a man-
 “ ner, as respectful as the subject will admit, and I trust
 “ that every Gentleman will be assured, that I mean not
 “ to give offence, but that I am fully persuaded of the
 “ honour with which every one of my brethren has act-
 “ ed, in the manner he conceived to be most for the
 “ public good.

“ I must, however, deprecate the secrecy with which
 “ this business has been conducted, and the precipitancy
 “ with which the decision has been passed, as well in the
 “ Committee of Shipping, as in the Court. It was on
 “ the 25th July, that the Tenders for letting ships were
 “ opened and referred to the Committee of Shipping to
 “ *examine and report*; but it was not till the 15th instant,
 “ about three o’clock, that the Chairs brought this bu-
 “ siness before the Committee, where I believe it passed
 “ in little more than half an hour; and the report was the
 “ same day brought before the Court, at the very late hour
 “ of half past four; but in consequence of the opposition
 “ I gave to it, the debate was adjourned to the next day,
 “ the 16th instant. On that day, Gentlemen will re-
 “ collect, that there were but fourteen Directors present, ✓
 “ several of whom being in haste to go to their country
 “ seats and other engagements, the debate did not long
 “ continue, and yet the question for agreeing with the
 “ Committee in their report, was carried by the very
 “ small majority of 8 to 6; and of the fourteen Directors
 “ who voted, seven, including the Chairs, were Mem-
 “ bers of the Committee of Shipping. Knowing the sen-
 “ timents

“ timents of several of our absent brethren, I gave it as
 “ my decided opinion, that if the Court had been more
 “ full, the question would have been lost ; and I there-
 “ fore hope, that it is not too late to revise it. In that
 “ hope it is, that I have entered into this detail ; and be-
 “ fore I go into the merits of the question, I beg to ask
 “ in what our conduct differs from that of the Direc-
 “ tors of the Old English Company, mentioned by an
 “ Honourable Director as having fallen under the cen-
 “ sure of Parliament. Like them the present Court, if cal-
 “ led upon, could only say, that we referred the matter
 “ to the Committee of Shipping, they to the Governor
 “ and Deputy Governor, who settled what they thought
 “ to be the Freight, and we, *knowing nothing of the mat-*
 “ *ter*, agreed to their report. Is there any dissimilarity be-
 “ tween the proceedings of the two Courts ? If there is
 “ not, can we be so easily excused as our predecessors ?
 “ After all the discussions which have taken place on the
 “ subject of Shipping, after the Court’s invariable prac-
 “ tice of advertizing for Tenders, and of regulating the
 “ Freight in part, if not altogether, by the Tenders offer-
 “ ed, and especially after the declaration from the Chair,
 “ to one of the last General Courts, ‘ *that we actually*
 “ *did hire our ships by public contract*,’ how can we be
 “ justified in rejecting Tenders made on low terms, and
 “ in fixing rates of Freight that are excessive, without
 “ having called for one estimate or document on which
 “ to ground our judgment, and without having had the
 “ opinion of our own Officers on the subject ; this too
 “ dispatched in the Committee of Shipping in a very
 “ short time, and agreed to by a small majority in a thin
 “ Court, and in the absence of several Gentlemen,
 “ known advocates to a farther reduction of the
 “ Freight.

“ Had

“ Had we followed the steps of the Court in 1786,
 “ in having the conferences between the Courts and
 “ Managing Owners held in open Court, I have not a
 “ doubt but that, fairly, honourably, and amicably on
 “ both sides, a much greater reduction of Freight would
 “ have taken place than that now settled. Of the merits
 “ of the said reduction I will now proceed to consider.

“ It has been stated in Court, that we this year have
 “ made a saving of about £.28,000 on the quantity of
 “ 29,000 tons of Shipping, agreed to be employed next
 “ season for our current trade; it will be found that this
 “ quantum of saving is greatly over rated; mean while
 “ I shall observe, that it is stated to arise from the fol-
 “ lowing Reductions, viz.

“ A Reduction of 10s. per ton on the Freight of Ships
 “ stationed to China direct.

“ A Reduction of 30s. per ton, on those stationed to
 “ China circuitously.

“ A Reduction of 20s. per ton, of Coast and Bay,
 “ Bombay, and Bencoolen Ships.

“ From this we must infer, that no difference has arisen
 “ in the expences of outfit, and in the prices of Stores,
 “ Provisions, Insurance, &c. between the present year
 “ and 1787, when the last reduction of Freight took
 “ place, that will warrant an abatement of more than
 “ ten shillings per ton; but I aver, there are savings to be
 “ made by the difference of price in various articles, of
 “ more than thirty shillings per ton; and to mention only
 “ one among many, the premium of insurance to and
 “ from China, which, in 1787, was estimated at eight
 “ per cent. is now reduced to six, making a difference of
 “ more than £. 400 in the estimate, which is equal to
 “ a reduction of ten shillings per ton.

“ On the second head of reduction, that on the Ships
 “ bound circuitously to China, I shall observe, that I do
 “ not see how the Court can agree to send one of the
 “ China Ships circuitously, at the risk which always at-
 “ tends a circuitous voyage, and at an unnecessary expence
 “ of Demorage, when we shall have eighteen Ships sta-
 “ tioned for Coast and Bay ; a number more than suffi-
 “ cient to convey our outward cargoes and passengers ; and
 “ therefore I conclude on this head, that if any of the
 “ China Ships are sent circuitously, it will be for the
 “ benefit of the respective Commanders and Owners,
 “ and not for that of the Company.

✓ “ On the third head of reduction, that of the Coast
 “ and Bay, Bombay, and Bencoolen Ships, which form
 “ the greatest part of our Tonnage, I am astonished
 “ how any Gentleman can say, that there is any saving,
 “ when so lately as last Spring we freighted two Ships at
 ✓ “ £. 20 per ton for this same voyage, which we have
 “ now agreed to give £. 25. 10s. for. I know that these
 “ two Ships were fitted in a peculiar manner ; but I in-
 “ sist on it, that the saving therefrom to the Owners
 “ was not equal to the advance we now make of £. 5 10s.
 “ per ton ; and I must again call to the recollection of
 “ the Court, a late declaration to the Proprietors from
 “ the Chair, that we had succeeded in reducing the Freight
 “ gradually from £. 26 to £. 20 per ton ; and I will ask
 “ of you Gentlemen, if you do not think the Proprietors
 “ present understood that to mean a general and perma-
 “ nent reduction, and not applying merely *to the two*
 “ *Ships ?*

“ I must express my surprize, that the able remarks of
 “ an Honourable Director, whose professional abilities,
 “ and honourable and manly character, will always

“ com-

“ command respect and attention from me, even when I
 “ most differ from him on the advantages now enjoyed
 “ by the Coast and Bay Ships, were not more attended
 “ to. With that Honourable Director, I perfectly agree
 “ in one point, the propriety of fixing one rate of Freight
 “ for all the Coast and Bay Ships ; and could I have
 “ flattered myself, that we should have agreed on the
 “ quantum of reduction, I would heartily have joined
 “ him on putting the 18 Ships on the same footing ; and
 “ not as we have now done, settled a certain Freight for
 “ twelve of those Ships, but leaving a most disagreeable
 “ discussion open for the Freight of the six additional.

“ Nothing having been said in Court on the Bombay
 “ Freights, I shall content myself with observing, that
 “ the same reasons which apply for a reduction in the
 “ Bengal Freights, apply as forcibly to these ; all these
 “ Ships being now sure of surplus tonnage ; and I have
 “ no difficulty in stating it as my firm opinion, that the
 “ same rule of Freight ought to be given to all our Ships,
 “ whether stationed for Bombay, Coast and Bay, or Chi-
 “ na. I therefore conjure the Court, not to be so hasty
 “ in voting away the property of our constituents, but
 “ to revise what we have done, and to see whether, on
 “ every principle of fairness and justice, better terms
 “ ought not, and therefore whether they might not, be
 “ obtained of the Owners.

“ My opinion of farther reductions is founded on my
 “ own observations and experience, aided by the opi-
 “ nions, which I have gathered from professional and com-
 “ mercial characters in and out of our service ; and I do
 “ not hesitate to say, that we ought to look to a period,
 “ and that not a very distant one, when the Ships of 800
 “ tons ought to be let us for £. 20 per ton. Though not

“ inclined now to press for such a reduction, I shall take
 “ leave to enumerate some of the regulations and improve-
 “ ments which have been made of late years, and give
 “ advantages to our shipping that they did not for-
 “ merly possess, viz.

“ 1. The Ships are now taken up at full Freight for
 “ builders measurement.

“ 2. They go six voyages instead of four.

“ 3. They are always sure of surplus tonnage.

“ 4. By the introduction of copper sheathing, the voy-
 “ ages are made in two thirds of the time they took
 “ formerly. This may account for the fall on the pre-
 “ mium of insurance.

“ 5. By this improvement the necessity of giving the
 “ Ships a thorough repair on the commencement of the
 “ third voyage is done away, and the fourth is now the
 “ repairing voyage.

“ Lastly. By several judicious regulations in the
 “ Committee of Shipping, the ships are better stowed,
 “ more roomy and healthy, and though their comple-
 “ ment of men is reduced in number, they carry more
 “ able seamen than formerly.

“ Surely, Gentlemen, these are not trifling advantages,
 “ and it is not an unreasonable request, that a reduction
 “ of Freight should accompany them.

“ As, however, I have set out with stating the savings
 “ in the prices between the year 1787, and this, to be
 “ equal to about 30s. per ton, and still contending that
 “ the Bengal Freights ought to be equallized to the
 “ China, I would propose that all Freights on the small
 “ Ships should be fixed for this season at £. 22 per ton,
 “ and, on the ships of 1150 tons and upwards, at
 “ £. 18 10.

I will

“I will now proceed to set forth the real saving by the
 “ rates of Freight now agreed to from the Freights of last
 “ year, on the 32 Ships first in rotation, to be taken up.

On the Besborough

Atlas,	}	5 Ships, their Freights being before fixed, there is no saving.
Glatton,		
Vanfittart,		
Lanfdown,		

Warley,	}	4 ditto, their total tonnage 4855 tons, savings at 10s per ton - £. 2427 10
Royal Charlotte,		
Hindostan,		
Ceres,		

7 other China ships 790 each 5530, savings 10s £. 2765 0

4 Bombay and } 3160	do. 20s £. 3160 0
Bencoolen do. }	

12 Coast & Bay, 9480	do. do. £. 9480 0
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Total savings on the common Shipping plan, £. 17832 10

“ But should the Court concur with me in opinion,
 “ that the terms I have proposed are proper, an addi-
 “ tional saving will take place as follows, viz.

On 11 large and small China Ships, freighted

at 18l. 10s. instead of 19l. 10s. and 22l. instead of 23l. saving 20s. per ton ; on	
10385 tons - - - -	10385 0

4 Bombay and Bencoolen do. at do. in- stead of 24l. 10s. saving 2l. 10s. per ton,	
on 3160 tons - - - -	7900 0

12 Coast and Bay do. at do. instead of 25l. 10s. saving 3l. 10s. per ton, on	
9480 tons - - - -	33180 0

Additional saving - - - -	51465 0
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Present saving as above - - - -	17832 10
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Total proposed saving for this season on } 23025 ton of Shipping	£. 69297 10
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“ Having

“ Having dwelt so long on this resolution, I shall not
 “ detain you long on the other ; particularly as I agree
 “ in the propriety of discharging the Committee of Ship-
 “ ping from the Court’s references, to consider of Mr.
 “ Fiott’s Tenders for the said Tenders being now open
 “ to the consideration of the Court, I conceive that an
 “ opportunity will soon occur for considering their me-
 “ rits ; but I do most seriously protest against the reason-
 “ ing of the said resolution ; viz. ‘ As the Owners have
 “ agreed to a reduction in their Freights, which will be
 “ greatly more than adequate to the savings which might
 “ arise from accepting the Tenders of two new Ships
 “ by John Fiott, Esq.’ This reasoning I must be per-
 “ mitted to say, is unfounded and unwarranted by any
 “ fair argument or mercantile calculation. It does not
 “ follow, that the same reduction of Freight on the Old
 “ Ships is not to take place if we accept Mr. Fiott’s
 “ Tenders, and I will shew, that by said Tenders, the
 “ Company would save nearly as much, as by the so much
 “ talked of reduction effected by the Committee. If I
 “ say, the Court was to agree to take up the Ship
 “ tendered by Mr. Fiott, now on the stocks, and to his
 “ building the one he also tenders of 1200 tons, the sa-
 “ vings will be as follows ; viz.

On the Ship building of 1000 tons, if stationed
 for Coast and Bay at 18 $\frac{1}{2}$ per ton, the differ-
 ence between that and 26 $\frac{1}{2}$ 10s. the Freight
 of last year, make a saving of - - - 8,500

The new Ship of 1200 tons, if stationed to
 Bombay or Bencoolen, at 18 $\frac{1}{2}$ per ton, the dif-
 ference between that and 25 $\frac{1}{2}$ 10s. to the
 Freight of last year, makes a saving of - - - 9,000

Saving by these Ships - - - £. 17,500

which

“ which, on 2200 tons of Shipping, is within a trifle
 “ as much as is obtained by the reduction on the 23,025
 “ tons taken up for the present season, before mentioned.
 “ May I ask of my brethren, if such a saving is not an
 “ object for the Company? even if Mr. Fiott’s prices
 “ are compared with the reduced Freights of this year,
 “ is 15,300; which I am sure we yet may, and I con-
 “ tend we ought to save to the Company. As there are
 “ yet six additional ships to be taken up on reduced
 “ Freights, we shall surely do the Old Shipping interest
 “ no injury, if we hire those which are tendered on such
 “ advantageous terms. I am satisfied it is our duty to do
 “ it, and that it can be done without any breach of faith
 “ or acting contrary to the spirit of the Company’s Bye-
 “ Laws; but if the Shipping Owners feel themselves ag-
 “ grieved, they will, as in 1786, appeal to a General Court
 “ of Proprietors, who will then, by giving us their di-
 “ rections, enable us to act on sure ground.

“ I shall here close my dissent from these resolutions,
 “ bespeaking the candour of my brethren to judge favo-
 “ rably of what I have written; and if there is one of
 “ you Gentlemen, who from hearing this read, shall
 “ think me inimical to the Shipping interest, permit me
 “ to say, that he will do me much injustice. Every claim
 “ they can make to a *fair preference* shall have my most
 “ cordial support; but what is a preference? is it any
 “ thing more than their being preferred when they shall
 “ offer on the *same terms as others*; why should it conti-
 “ nue to be argued, that most of our Ships being built
 “ during the war, cannot sail on terms so cheap as New
 “ Ships? I maintain on the contrary, that the Old Ships,
 “ by having enjoyed high Freights during several voy-
 “ ages, have cleared themselves, and that their Owners

“ can

" can afford to let them on as cheap or cheaper terms
 " than New Ships, whose Owners must disburse,
 " in the first instance, 20,000*l.* or more on each Ship
 " sent to sea. The situation of Old Owners is very dif-
 " ferent now from what it was in 1786; the subsequent
 " voyages have done away the pleas then brought forward
 " in argument of past services and present hardships,
 " as the grounds of a continuance of high Freights; and
 " the Owners can now look with a moral certainty on
 " their Ships always having surplus Freight, and to their
 " being in more constant employ than heretofore, from
 " the happy increase of the Company's commerce, inde-
 " pendent of the additional prospects which the encou-
 " ragement given to the privileged trade, and the va-
 " luable article of Sugar, offer.

" But until the Directors shall seriously enter upon the
 " necessary duty of obtaining an essential reduction of
 " Freight, the Company's treasury will continue annu-
 " ally to pay 100,000*l.* more than the service requires,
 " the illicit trade of India with Europe and America will
 " flourish, the Indian subjects be severely checked, and
 " the navigation and commerce between this country and
 " India will be materially injured.

" I have the honour to be,

" most respectfully,

" your most obedient,

" faithful humble servant,

" PAUL LE MESURIER."

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